

STATE OF RHODE ISLAND

Public Utilities Commission

Minutes of Open Meeting Held on August 18, 2020

An Open Meeting of the Public Utilities Commission was held on Thursday, August 20, 2020 at 10:00 A.M. in Hearing Room A, 89 Jefferson Boulevard, Warwick, Rhode Island to discuss, deliberate, and/or vote on the following dockets

In attendance: Chairman Ronald Gerwatowski, Todd Bianco, Alan Nault Margaret Hogan and Luly Massaro. Remotely: Commissioner Marion Gold and Commissioner Abigail Anthony.

Chairman Gerwatowski called the Open Meeting to order at 10:00 A.M. A quorum was present.

Minutes of Open Meetings:

1. Commissioner Gold moved to approve the Minutes of the Open Meeting held on June 30, 2020. Commissioner Anthony seconded the motion and the motion passed. **Vote 2-0.** Chairman Gerwatowski abstained as he did not participate at this Open Meeting.
2. Chairman Gerwatowski moved to approve the Minutes of Open Meeting held on July 13, 2020. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
3. Chairman Gerwatowski moved to approve the Minutes of Open Meeting held on July 23, 2020 (AM Session). Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**
4. Commissioner Anthony moved to approve the Minutes of Open Meeting held on July 23, 2020 (PM Session). Commissioner Gold seconded the motion passed. **Vote 2-0.** Chairman Gerwatowski abstained as he did not participate at this Open Meeting.
5. Chairman Gerwatowski moved to approve the Minutes of Open Meeting held on August 12, 2020. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**

Docket No. 4994 – Providence Water Supply Board – The docket is related to the Commission’s review of Providence Water Supply Board’s application for approval to implement a multi-year rate plan through a three-step rate increase pursuant to R.I. Gen. Laws §39-15.1-4. The Commission discussed the record relating to the Settlement Agreement between the Providence Water Supply Board, the Division of Public Utilities and Carriers, the Kent County Water Authority and the City of Warwick. After deliberation, the following motions were made:

1. Chairman Gerwatowski moved to reject the uniform rates to the wholesale class reflected in the Settlement Agreement. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
2. Chairman Gerwatowski moved that based upon the revenue requirement as ultimately determined by the Commission, Providence Water shall implement individual wholesale rates in year one which are determined by inputting the individual peaking

factors used in the Settlement Agreement to establish the revenue requirement, but moving only one-third of the way from the Settlement rates to the results of that calculation. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**

3. Chairman Gerwatowski moved that Providence Water shall perform a new allocated cost of service (COSS) study, taking into account the Commission's directives, and file it within six months of the date of this Open Meeting. Commissioner Anthony seconded the motion and the motion was unanimously passed. **Vote 3-0.**
4. Chairman Gerwatowski moved that Providence Water's new COSS address the Transmission & Distribution Labor Allocation, the Central Operations Allocation, and the Non-revenue Water Allocation with data that firmly supports the allocators chosen. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
5. Commissioner Anthony moved that Providence Water's COSS apply cost allocations for pumping costs and unidirectional flushing based upon the benefits received by each wholesale customer. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
6. Commissioner Anthony moved to direct Providence Water to study alternatives to achieving its 100% renewable energy goal. The study shall be submitted to the Commission within 90 days, and Providence Water shall be allowed up to \$10,000 for this purpose.

The study shall include, but not be limited to:

- a. Determination of Providence Water's baseline annual electricity consumption.
- b. Determination of the quantity of RECs needed in each rate year to meet the company's 100% renewable energy goal. Please explain all assumptions, including the treatment of Providence Water's current RES-compliant energy supply contract, RECs generated from the company's on-site solar facility, and RECs generated from the off-site renewable energy facility.
- c. Explanation of the time period in which Providence Water wants to be considered renewable (e.g. monthly or annually).
- d. The quantity of excess RECs (derived from the answer to #2) and the estimated market value.
- e. Explanation of alternatives to achieving the company's 100% renewable energy goals. This explanation should include descriptions of the costs (including administrative costs), benefits, and risks of each alternative. Alternatives considered should include purchasing new and/or existing RECs through an updated or new energy supply contract and participating in the anticipated municipal aggregation with the City of Providence.

- f. Justification of the company's recommended approach to meeting its 100% renewable energy goals.
 - g. Please provide a revised revenue requirement for electric supply procurement based on the recommended approach in #6. Please assume two scenarios: 1) RY1 rates are updated on January 1, 2021, or 2) revenue requirement is updated for RY 2. **Motion failed on a Vote of 1-2.**
7. Commissioner Gold moved that the PUC accept the PWSB proposal to follow through on their offer to study alternatives to achieving its 100% renewable energy goal. The study shall be submitted to the Commission within 90 days, and Providence Water shall be allowed up to \$10,000 for this purpose. (The motion included all the subparts (a) through (g) of the preceding motion number 6). Chairman Gerwatowski seconded the motion and the motion was unanimously passed. **Vote 3-0.**
 8. Commissioner Gerwatowski moved to approve Providence Water's request for funding for employee vacancies, subject to the Commission's right to review Providence Water's success in filling these vacancies and further reserving the Commission's right to order Providence Water to credit ratepayers for unused funds for rate year one and to further modify funding for vacancies in rate year two. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
 9. Commissioner Gerwatowski moved to grant Providence Water an allowance of \$30,000 to be used for the new allocated COSS. Providence Water shall file an estimate of the final accounting of the cost of the allocated COSS at the time it files the study and shall have the right to request recovery of additional costs through an amended rate case expense, provided it presents a detailed accounting and summary of the total hours of service including a reasonably granular description of the services provided by the consultant. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
 10. Commissioner Anthony moved that the Commission continue discovery with respect to the sizing of the Johnston solar facility in Docket 4994. National Grid may be issued discovery questions but will not joined as a party to the proceeding. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
 11. Commissioner Anthony moved that the Commission reduce Providence Water's power expense by \$90,990 to \$1,010,123. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**
 12. Commissioner Gerwatowski moved to accept Settlement Agreement, as modified by the votes taken at the open meeting today. The parties are directed to advise the Commission whether they accept all the modifications or object. Should any parties to the Settlement object, such parties must file a letter indicating the reasons by noon on August 19. If the settling parties agree to accept the modifications, an amended

settlement together with revised schedules and tariffs shall be filed by noon on August 25, 2020. Commissioner Gold seconded the motion and the motion was unanimously passed. **Vote 3-0.**

There being no further business to consider, Chairman Gerwatowski adjourned the Open Meeting at 2:01 P.M. A video of the Open Meeting discussion can be accessed at <http://www.ustream.tv/channel/WqQyXw296dg>

A transcript of the Providence Water deliberations and votes is available by contacting the Commission Clerk.